Montana Teachers' Retirement System

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Horizons

Montana Teachers' Retirement System Newsletter

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TRS offices have reopened to the public

Visit trs.mt.gov for details

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Legislative News

TRS emerges from 2021 session unharmed

The 67th Montana Legislature convened on January 4, 2021 and adjourned on April 29, 2021, the 80th day of the session.

TRS thanks Representative Marta Bertoglio of Clancy for sponsoring TRS's "housekeeping bill" (HB 88). This bill clarified that cash paid in lieu of a benefit is not reportable to TRS as earned compensation if the employee has the option to receive cash instead of the benefit.

HB 88 made other clarifications and technical corrections to existing TRS law and it also implemented an Internal Revenue Service law change that increased the age by which certain inactive members must begin taking required minimum distributions. *(See related article on Page 3.)*

HB 88 signing ceremony

(Front row, l-r) Superintendent of Public Instruction Elsie Arntzen; Governor Greg Gianforte; Representative Marta Bertoglio

(Back row, l-r) TRS Executive Director Shawn Graham; Representative Wendy McKamey; Representative David Bedey

Other legislation affecting TRS

Representative Frank Garner of Kalispell sponsored a joint resolution of the House and Senate (HJ 8) that will require an interim study of Montana's defined benefit public retirement systems, including TRS. A cross-functional group of interim committee members, legislators, retirement system personnel, actuarial experts, and other stakeholders will examine the funding mechanisms and governance of the retirement systems and will develop recommendations for a strategic funding approach that ensures long-term financial stability.

Other bills that might have harmed TRS did not pass the Legislature. For example:

- SB 188, sponsored by Sen. Mike Lang of Malta, would have expanded a provision in existing law that allows certain TRS retirees to be reemployed in TRS-reportable positions while continuing to receive their full retirement benefit. The expansion sought by this bill would have diluted the intent of the provision, which is to allow smaller school districts to fill a vacant position with a retired member as a last resort in an emergency hiring situation. The contributions received for retired members who are reemployed under this provision cover only a fraction of the benefits they receive, meaning it is not cost-neutral to the system. Further expansion would have been even more costly to TRS.
- HB 387, introduced by Sen. Brian Hoven of Great Falls, sought to create a third TRS membership tier that would have fundamentally changed the way benefits are accrued and distributed for new members enrolled after the effective date. TRS opposed this bill because it would have increased costs, thus reducing the funds available to pay benefits.

For more information about these and other bills, visit the Legislative Updates page on the TRS website: *https://trs.mt.gov/TrsInfo/NewsLegislation*

A teacher affects eternity; he can never tell where his influence stops.

– Henry Brooks Adams *(1838-1918)*

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Nearly 1,300 of you answered our call last year to complete a member satisfaction survey. Although responses showed overwhelmingly positive support for TRS, many of you had ideas and suggestions for improvement, and we thank you.

This year, we're working to identify TRS services that could be streamlined or automated to serve you better. This might include, for example, changing our retirement application from a paper form to an online process.

Do you have ideas for ways in which TRS could make better use of technology? Please visit our website *(trs.mt.gov)* and click the orange "Member survey" image, like the one above. The survey will be available through July 31, 2021.

Enhanced Security for *My TRS* Users

Speaking of technology: If you use *My TRS,* the online member portal, you may have noticed a new security feature at login. Now, you must enter a six-digit verification code sent to a phone number or email address that TRS has on file for you.

This industry-standard approach, called "multifactor authentication," provides an extra layer of security against unauthorized access to your personal information. Even though TRS has not experienced any breaches of member data, we won't let our guard down. You can continue using *My TRS* with confidence!

Required Minimum Distributions (RMDs)

The IRS has long required individuals who no longer work to take required minimum distributions (RMDs) from their tax-deferred retirement plans or accounts no later than age 70½. Now, however, those who were born on or after July 1, 1949 can wait until age 72 to begin taking RMDs.

Please note this IRS requirement affects only *inactive* TRS members (those who still have member contributions on account even though they no longer work in positions reportable to TRS). If you are still working and contributing to TRS, or if you already receive monthly benefits from TRS as a retiree or survivor, you are in compliance and no action is required.

For more information about RMDs, see the TRS Fact Sheet *Required Minimum Distributions*, available on the TRS website: *trs.mt.gov/trsinfo/factsheets*

A Primer on TRS Funding

Do you worry about whether the Teachers' Retirement System will have enough funds to pay benefits when you retire? Do you have questions about how your retirement benefits are funded? TRS has published a user-friendly handout to address these questions and to ease some of your fears.

Go to *trs.mt.gov* and look for the graphic labeled, "Read our TRS Funding Primer." The link opens a 2-page PDF that you can read, print, and share with your fellow TRS members.

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NEWS and UPDATES

Staff Updates

Amber Mullen and **Ali Holland** both joined TRS in September 2020. Amber, the TRS Executive Secretary, brought relevant experience from Lewis and Clark County District Court, where she worked for two years. Ali, who filled the vacant TRS Accounting Technician position, held similar roles with other state agencies for over five years before joining our team.

Melissa Goodman, TRS's new Imaging Technician, was hired in January 2021 to fill the position left open when **Jeanie Schmidt** retired in December 2020. Melissa came to TRS with significant related experience and is a great addition to the Information Technology team.

TRS is interviewing candidates for the Retired Payroll Benefit Technician position previously held by **Shannon Buswell**, who recently accepted a new role with another agency.

Join us in congratulating all these staff members on their new roles and adventures!

Teachers' Retirement Board

After more than a year of virtual meetings, the Teachers' Retirement Board was pleased to hold its May 2021 meeting in person at the TRS office in Helena.

This was the final meeting for Member Janice Muller, who retired from teaching in 2019 and whose Board term expires July 1, 2021. We admire and appreciate her dedication as both a teacher and a TRS Board member, and we wish her a wonderful retirement.

Montana Teachers' Retirement Board
(from left) Jeff Greenfield, Kari Elliott, Janice Muller, Scott Dubbs, Daniel Trost, Daniel Chamberlin

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